

Exhibit C – Alleged Frivolous Returns Correspondence


10/1/19 10:10 AM 10/1/19 10:10 AM 10/1/19 10:10 AM



Frivolous Return Prog., Step 4450  
OGDEN UT 84201-0021

In reply refer to: 1483000192  
1483000192  
NOV: 16, 2017 LTR 3176C 0  
20161230  
Input Op: 1486959054 00014372  
BODC: WI

DEAN E MALONE  
150 BOBBY MCCANDLESS RD  
KNOB LICK KY 42154-8325

Taxpayer identification number:   
Form: 1040  
Tax periods: Dec. 31, 2016

Employee identification number: 1000142816 M/S 4450  
Contact telephone number: 866-883-0235  
Contact fax number: 855-246-4886

Dear Taxpayer:

You filed a purported tax return for the tax periods above that claimed one or more frivolous positions or reflected a desire to delay or impede administration of the tax laws. If you don't immediately correct your return, we'll assess a \$5,000 penalty against you.

#### WHY WE ARE CONTACTING YOU

Based on Internal Revenue Code Section 6702, Frivolous Tax Submissions, we determined the information you filed as a purported tax return, on Apr. 15, 2017 is frivolous and there is no basis in the law for your position.

Federal courts, including the Supreme Court of the United States, have considered positions like yours and repeatedly rejected them as without merit. Publication 2105, Why do I have to Pay Taxes?, includes examples of frivolous positions and arguments regarding the U.S. tax system under the heading "Don't Fall for These Arguments." Notice 2010-33 provides detailed information on positions identified as frivolous under Section 6702.

You included a position that has no basis in the law. You're attempting to avoid or reduce tax liabilities or to secure a refund that you're not entitled to.

#### WHAT YOU NEED TO DO

To avoid this penalty, send us a corrected return for each taxable period listed at the top of this letter within 30 days from the date of this letter. Once we receive your corrected returns, we'll disregard the previous documents you filed and won't assess the frivolous tax return penalty for each corrected return you filed.

If you have questions or concerns regarding the information requested

1483000192

Nov. 16, 2017 LTR 3176C 0

201612 30

Input Op: 1486959054 00014373

DEAN E MALONE  
150 BOBBY MCCANDLESS RD  
KNOB LICK KY 42154-8325

or response timeframes, please contact the number listed at the top of the letter.

Attach this letter to your corrected returns and mail it to the return address at the top of this letter.

#### IF YOU DON'T SEND A CORRECTED RETURN

If you don't file the corrected returns within 30 days from the date of this letter, or if you submit additional documents asserting a frivolous position, we will assess the \$5,000 penalty for each purported tax return containing a frivolous position and send you a bill. If you filed a joint frivolous return, both you and your spouse will be assessed a \$5,000 penalty. Internal Revenue Code Section 6702 provides us the authority to assess this penalty. We won't respond to any future correspondence asserting any frivolous position.

In addition, if we don't hear from you within the 30-day timeframe, we may issue a notice of deficiency for any taxes owed because of the frivolous submission or other items we may find during an examination. A notice of deficiency states the amount of additional tax and penalties you owe and explains your right to contest the deficiency by filing a petition with the United States Tax Court. The \$5,000 frivolous filing penalty is not included in the notice of deficiency and cannot be contested in that Tax Court proceeding.

#### ADDITIONAL INFORMATION

For more information on positions identified as frivolous under Section 6702 see: [www.irs.gov/notice201033](http://www.irs.gov/notice201033). If you don't have a computer, consult a law library to access Notice 2010-33 in the Internal Revenue Bulletin (I.R.B.). You can find additional information in a publication titled "The Truth About Frivolous Arguments" available on-line only at [www.irs.gov/frivolous](http://www.irs.gov/frivolous).

See Publication 2105 for basic information about the tax system. We also encourage you to seek advice from a competent tax professional or a tax attorney qualified to practice in your state.

If you need forms, schedules, or publications, you can get them by visiting [www.irs.gov/forms-pubs](http://www.irs.gov/forms-pubs) or by calling 800-TAX-FORM (800-829-3676).

We enclosed a copy of this letter for your records and an envelope for your convenience.

If you have additional questions, you can call us at 866-883-0235,

1483000192

Nov. 16, 2017 LTR 3176C 0

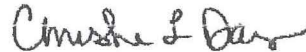
201612 30

Input Op: 1486959054 00014374

DEAN E MALONE  
150 BOBBY MCCANDLESS RD  
KNOB LICK KY 42154-8325

Monday through Friday 7:00 am to 3:30 p.m. MST.

Sincerely yours,



Christine L. Davis  
Program Manager RICS/IVO

Enclosures:  
Copy of this letter  
Envelope  
Publication 1



December 9, 2017

Internal Revenue Service  
Ogden, UT  
84201-0021

Ms. Davis,

I received your letter 3176C falsely accusing me of some kind of frivolous submission and threatening a penalty of \$5,000 based on this false accusation. Please be advised that using the US mail to send threatening communication is a crime and a punishable violation of 18 US Code 876. Also be advised that using your position extort or oppress under color of law is a crime and a punishable violation of 26 US Code 2714. You have failed to properly apply the law in your effort to falsely accuse me of filing a frivolous submission, as I will clearly articulate shortly. Also, you have not followed IRS written instructions regarding proper notification of the specific frivolous position I supposedly invoked. Finally, you have ignored the Secretary's Notice 2010-33 describing when a penalty can be imposed.

26 US Code Section 6702 defines two types of frivolous submissions: frivolous returns and specified frivolous submissions. I think it's obvious that I did not request any hearings, installments or assistance orders that would qualify as a specified frivolous submission. However, your agency offered 30 days to withdraw my position, which is only offered in the case of a specified frivolous submission.

Assuming that you mean to imply that my return is frivolous, I remind you of the following definition:

26 USC § 6702 - Frivolous tax submissions

(a) Civil penalty for frivolous tax returns

A person shall pay a penalty of \$5,000 if

(1) such person files what purports to be a return of a tax imposed by this title but which

(A) does not contain information on which the substantial correctness of the self-assessment may be judged, or

(B) contains information that on its face indicates that the self-assessment is substantially incorrect, and

(2) the conduct referred to in paragraph (1)

(A) is based on a position which the Secretary has identified as frivolous under subsection (c), or

(B) reflects a desire to delay or impede the administration of Federal tax laws.

To be a frivolous return, it must satisfy BOTH conditions: (a)1 AND (a)2. My return was processed and my refund was issued. It satisfied neither condition. My return cannot be frivolous.

Let's analyze each condition:

(A) does not contain information on which the substantial correctness of the self-assessment may be judged, or My return was processed and my refund was issued. Obviously it contained enough information on which the substantial correctness of the self-assessment could be judged. My return does not satisfy this condition

(B) Contains information that on its face indicates that the self-assessment is substantially incorrect

Before my return was processed, I received a form letter from Integrity and Verification Operations on May 5, 2017, stating, "...we need to verify your identity before we process the return and issue a refund" and also, "If we don't hear from you, we will not process this return." I complied with the stated instructions in a timely manner, my return was processed, and my refund was issued. Questions regarding the correctness of my return were addressed by this letter before my refund was issued. This letter proves that my return went through an exhaustive approval process and it was scrutinized, reviewed and verified for accuracy before my refund was issued. This letter alone proves that my return does not satisfy this condition, it cannot be frivolous and I'm being falsely accused.

(C) Is based on a position which the Secretary has identified as frivolous under subsection (c).

My return contained only simple arithmetic and an analysis of the clear words of the relevant law. It included no positions, arguments or protests of any kind on the face of the return or attachments. There are 46 frivolous positions listed in the Secretary's Notice 2010-33 that qualify for the penalty, and not one of them was cited in my 3176C; falsely accusing me of a frivolous submission and threatening me with a penalty. My return does not satisfy this condition.

(D) Reflects a desire to delay or impede the administration of Federal tax laws.

My return was processed in a timely manner and my refund was issued. I did not request a collection due process hearing or an application for an installment agreement, offer-in-compromise, taxpayer assistance order or other delaying action. My return does not satisfy this condition.

The preceding information proves that my return does not meet the statutory definition of frivolous. Falsely accusing me of filing a frivolous submission and threatening a penalty is a crime.

Your agency has clear written instructions to address nearly every conceivable circumstance, giving clear written direction to employees ~~how to handle each situation~~. Your own instructions in the Internal Revenue Manual state that frivolous returns are NOT PROCESSED:

5.20.10.4.3 (05-20-2014)

Responding to Frivolous Filings Subject to Penalty Under IRC 6702(a)

1. If it is determined that a taxpayer has submitted a tax return, including an original or amended return taking a frivolous position, stamp the return with the date received. **Do not send the return through the Submission Processing Center.** Send the complete original return with all attachments, including the envelope, to the FRP and maintain a copy of the return in the case file.

Frivolous returns cannot be processed because they are either self-contradictory or don't possess the information needed to process them – which makes them frivolous. My return was processed and my refund was issued – it cannot be frivolous. If you believe that my return is inaccurate, that does not make it frivolous. An attempt to assert that my return is frivolous after it has been processed is clearly inconsistent with both logic and the facts.

Also, your written instruction requires the Service to inform the taxpayer of the frivolous position or argument that provoked the 3176C letter. This written direction was not followed, and though I have received a 3176C letter, I still do not know what frivolous argument I supposedly invoked. The Internal Revenue Manual reads:



5.20.10.4.3 (05-20-2014)

Responding to Frivolous Filings Subject to Penalty Under IRC 6702(a)

3. FRP will mail Letter 3176 along with Publication 2105, *Why do I have to Pay Taxes?* to the taxpayer informing them of the frivolous argument and requesting they withdraw their position and submit any non-filed returns. FRP will monitor for the response from the taxpayer.

The 1376C is supposed to inform me, "of the frivolous argument," not simply that a frivolous argument was submitted. If you do not inform me which frivolous argument I supposedly invoked, how can I correct it? Your letter does not identify one frivolous position or argument I supposedly invoked that justifies the accusation or qualifies for a penalty. There are 46 frivolous positions listed in the Secretary's Notice 2010-33 that qualify for the penalty, and not one of them was cited my 3176C falsely accusing me of a frivolous submission and threatening me with a penalty.

Additionally, #1 on the *Taxpayer's Bill of Rights* is the Right to Be Informed:

"Taxpayers have the right to know what they need to do to comply with the tax laws. They are entitled to clear explanations of the laws and IRS procedures in all tax forms, instructions, publications, notices, and correspondence. They have the right to be informed of IRS decisions about their tax accounts and to receive clear explanations of the outcomes."

I have not been informed. I do not know why I've been accused of a frivolous submission and I do not know which argument I supposedly invoked to provoke this 3176C letter. I don't know what correction to make or how to satisfy your request. You did not follow written instructions regarding the proper notification of a taxpayer who submits a frivolous position.

The Secretary's Notice 2010-33 plainly states that the penalty only applies when a frivolous argument appears on the face of the return or attachments:

"The penalty will be imposed only when the frivolous position or desire to delay or impede the administration of Federal tax laws appears on the face of the return, purported return, or specified submission, including any attachments to the return or submission."

Threatening me with a penalty for a frivolous submission completely ignores this clear instruction by the Secretary because I know of no position on the Secretary's Notice which appears on the face of my return. Again, it contains only simple arithmetic and analysis of the law and does not qualify for any penalty. **Further, any attempt to impose a "frivolous", or other, penalty without any basis in law and fact, will be considered an "extortion or willful oppression under color of law" -- a violation of 26 USC 7214(a)(1).**

If you mean to imply by this letter that my return was false or incorrect and wish to challenge the correctness of my return, then an authorized officer must execute a 6020(b) return, and sign it under penalty of perjury, asserting legal claim over my property. If a 6020(b) return is not executed, then my 2016 return stands unchallenged and here is no dispute. If the IRS has firsthand knowledge of any amounts reported other than what I have claimed, I demand evidence of 6020(b) return signed in accordance with 6065 and a 6201(d) verification to support your position. However, an incorrect return is not a frivolous return:

26 CFR 301.6020-1(b) Execution of returns

(1) In general. If any person... makes, willfully or otherwise, a false, fraudulent or **frivolous** return, the Commissioner or other authorized Internal Revenue Officer employee shall make such return from his own knowledge and from such information as he can obtain through testimony or otherwise.

(2) Form of the return. A document (or set of documents) **signed by the Commissioner or other authorized Internal Revenue Officer or employee** shall be a return for a person described in paragraph (b)(1) of this section if the document (or set of documents) identifies the taxpayer by name and taxpayer identification number, contains sufficient information from which to compute the taxpayer's tax liability, and purports to be a return. (Emphasis added.)

#### 26 USC 6065 Verification of returns

Except as otherwise provided by the Secretary, any return, declaration, statement, or other document required to be made under any provision of the internal revenue laws or regulations shall contain or be **verified by a written declaration that it is made under the penalties of perjury.**

#### 26 USC 6021 (d) REQUIRED REASONABLE VERIFICATION OF INFORMATION RETURNS

In any court proceeding, if a taxpayer asserts a reasonable dispute with respect to any item of income reported on an information return filed with the Secretary under subpart B or C of part III of subchapter A of chapter 61 by a third party and the taxpayer has fully cooperated with the Secretary (including providing, within a reasonable period of time, access to and inspection of all witnesses, information, and documents within the control of the taxpayer as reasonably requested by the Secretary), the Secretary shall have the burden of producing reasonable and probative information concerning such deficiency in addition to such information return.

No action is required of the IRS except to correct its record and revoke the ridiculous accusation that my return is frivolous. I shall keep this letter as evidence of a possible crime and remind you that unless you can specifically identify why you are accusing me of filing a frivolous submission, then I will consider any further communication on this matter as threatening mailings with the intent to oppress, harass and intimidate. Threats based on false accusations is a crime.

In closing, I wish to reaffirm that I do not believe that my return is frivolous. You have not attempted to show that it meets the definition of a frivolous submission as defined in 26 USC 6702. Additionally, your Notice 3167C does not identify the specific frivolous argument that was invoked on my return as required by IRM 5.20.10.4.3 and lastly, you did not identify any argument on the face of my return that would make me liable for a penalty as required by the Secretary's Notice 2010-33. Either produce the evidence that my return is frivolous so I can fix it, or cease your false accusations.

Respectfully and with prejudice,



Dean E. Malone



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U.S. Postal Service™  
**CERTIFIED MAIL® RECEIPT**  
 Domestic Mail Only

For delivery information, visit our website at [www.usps.com](http://www.usps.com)®

**OFFICIAL USE**

Certified Mail Fee \$ 3.35

Extra Services & Fees (check box, add fee as appropriate)

<input type="checkbox"/> Return Receipt (hardcopy)	\$
<input type="checkbox"/> Return Receipt (electronic)	\$
<input type="checkbox"/> Certified Mail Restricted Delivery	\$
<input type="checkbox"/> Adult Signature Required	\$
<input type="checkbox"/> Adult Signature Restricted Delivery	\$

Postage \$ 1.49

Total Postage and Fees \$ 3.84

Sent To IRS

Street and Apt. No., or PO Box No. Phivolous Return Program, Stop 4450

City, State ZIP+4® Proctor, UT 84202

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

DEC 12 2017  
 Postmark Here



Department of the Treasury  
Internal Revenue Service  
Kansas City, MO 64999-0030



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DEAN E MALONE  
150 BOBBY MCCANDLESS RD  
KNOB LICK KY 42154-8325



	WI
Notice	CP504
Tax year	2016
Notice date	April 29, 2019
Taxpayer ID number	3698
To contact us	Phone 800-829-0922
Your Caller ID	066602

Page 1 of 5

Notice of intent to seize (levy) your property or rights to property

**Amount due immediately: \$5,046.24**

This is a notice of intent to levy your state tax refund or other property. As we notified you before, our records show you have unpaid taxes for the tax year ending December 31, 2016 (Form CIVPEN). If you don't call us immediately to make payment arrangements or we don't receive the amount due within 30 days from the date of this notice, we may levy your property or rights to property and apply it to the \$5,046.24 you owe.

### Billing Summary

Amount you owed	\$5,000.00
Interest charges	46.24
<b>Amount due immediately</b>	<b>\$5,046.24</b>

Continued on back...



DEAN E MALONE  
150 BOBBY MCCANDLESS RD  
KNOB LICK KY 42154-8325

Notice	CP504
Notice date	April 29, 2019
Taxpayer ID number	3698



### Payment

- Make your check or money order payable to the United States Treasury.
- Write your taxpayer identification number (015-80-3698), the tax year (2016), and the form number (CIVPEN) on your payment and any correspondence.

**Amount due immediately**

**\$5,046.24**

INTERNAL REVENUE SERVICE  
KANSAS CITY, MO 64999-0202



015803698 JY MALO 55 0 201612 670 00000504624



Frivolous Return Prog., Stop 4450  
OGDEN UT 84201-0059

In reply refer to: 1486900000

Feb. 22, 2019 LTR 3175C 0

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Input Op: 1483385740 00028623

BODC: WI

DEAN E MALONE  
150 BOBBY MCCANDLESS RD  
KNOB LICK KY 42154-8325

Dear Taxpayer:

This is in reply to your correspondence received Dec. 19, 2017.

We have determined that the arguments you raised are frivolous and have no basis in law. Federal courts have consistently ruled against such arguments and imposed significant fines for taking such frivolous positions.

If you persist in sending frivolous correspondence, we will not continue to respond to it. Our lack of response to further correspondence does not in any way convey agreement or acceptance of the arguments advanced. If you desire to comply with the law concerning your tax liability, you are encouraged to seek advice from a reputable tax practitioner or attorney.

The claims presented in your correspondence do not relieve you from your legal responsibilities to file federal tax returns and pay taxes. We urge you to honor those legal duties.

This letter advises you of the legal requirements for filing and paying federal individual income tax returns and informs you of the potential consequences of the position you have taken. Please observe that the Internal Revenue Code sections listed below expressly authorize IRS employees that act on behalf of the Secretary of the Treasury to: 1.) examine taxpayer books, papers, records, or other data which may be relevant or material; 2.) issue summonses in order to gain possession of records so that determinations can be made of the tax liability or for ascertaining the correctness of any return filed by that person; and 3.) collect any such liability.

There are some people who encourage others to violate our nation's tax laws by arguing that there is no legal requirement for them to file income tax returns or pay income taxes. These people base their arguments on legal statements taken out of context and on frivolous arguments that have been repeatedly rejected by federal courts. People who rely on this kind of information can ultimately pay more in taxes, interest and penalties than they would have paid simply by filing correct tax returns.

People who violate the tax laws also may be subject to federal criminal prosecution and imprisonment. Information about the IRS's



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Feb. 22, 2019 LTR 3175C 0

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Input Op: 1483385740 00028624

DEAN E MALONE  
150 BOBBY MCCANDLESS RD  
KNOB LICK KY 42154-8325

criminal enforcement program is available on the internet at [www.irs.gov](http://www.irs.gov). Once there, enter the IRS keyword: fraud.

The IRS is working with the United States Department of Justice and state taxing authorities to ensure that all taxpayers pay their lawful share of taxes and to seek criminal indictments or civil enforcement actions against people who promote or join in abusive and fraudulent tax schemes.

You can obtain IRS Publication 2105, Why do I Have to Pay Taxes?, from our internet website at [www.irs.gov/pub/irs-pdf/p2105.pdf](http://www.irs.gov/pub/irs-pdf/p2105.pdf). We also refer you to a document entitled The Truth About Frivolous Tax Arguments. It is also on our website at [www.irs.gov/pub/irs-utl/friv\\_tax.pdf](http://www.irs.gov/pub/irs-utl/friv_tax.pdf). If you do not have internet access, you can obtain copies of these documents from your local IRS office.

#### General Information on Filing Requirements and Authority to Collect Tax

##### Title 26, United States Code

- Section 6001 Notice or regulations requiring records, statements, and special returns
- Section 6011 General requirement of return, statement, or list
- Section 6012 Persons required to make returns of income
- Section 6109 Identifying numbers
- Section 6151 Time and place for paying tax shown on returns
- Section 6301 Collection Authority
- Section 6321 Lien for taxes
- Section 6331 Levy and distraint
- Section 7602 Examination of books and witnesses

#### INTERNAL REVENUE CODE SECTION 6702 (FRIVOLOUS INCOME TAX RETURN) PROVIDES:

##### CIVIL PENALTY - If -

- (1) any individual files what purports to be a return of the tax imposed by subtitle A but which -
  - (A) does not contain information on which the substantial correctness of the self-assessment may be judged, or
  - (B) contains information that on its face indicates that the self-assessment is substantially incorrect; and
- (2) the conduct referred to in paragraph (1) is due to -
  - (A) a position which is frivolous, or
  - (B) a desire (which appears on the purported return) to delay or impede the administration of Federal income tax laws, then such individuals shall pay a penalty



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Feb. 22, 2019 LTR 3175C 0

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Input Op: 1483385740 00028625

DEAN E MALONE  
150 BOBBY MCCANDLESS RD  
KNOB LICK KY 42154-8325

of \$5,000.00

PENALTY IN ADDITION TO OTHER PENALTIES - The penalty imposed by subsection (a) shall be in addition to any other penalty provided by law.

FOIA requests for Treasury Department records must meet the following criteria before Treasury can take action:

- Must be in writing and signed by the person making the request;
- Must state that the request is being made pursuant to the FOIA;
- Must reasonably describe the records being requested;
- Must state the category of the requester for fee purposes (i.e. commercial, media, educational, scientific institutions, all other);
- Must contain an agreement to pay all fees that might be incurred;
- Must prove that the requester is entitled to receive the records;
- Must state whether the requester wants a copy of the records or only wants to inspect the records.

If you have any questions, please write to us at the address shown at the top of the first page of this letter. Or, you may call us toll free at 866-883-0235. Whenever you write, please include this letter and, in the spaces below, give us your telephone number with the hours we can reach you. You may also wish to keep a copy of this letter for your records.

Your Telephone Number (\_\_\_\_) \_\_\_\_\_ Hours \_\_\_\_\_

1486900000

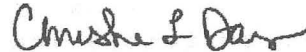
Feb. 22, 2019 LTR 3175C 0

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Input Op: 1483385740 00028626

DEAN E MALONE  
150 BOBBY MCCANDLESS RD  
KNOB LICK KY 42154-8325

Sincerely yours,



Christine L. Davis  
Program Manager RICS/IVO

Enclosure(s):  
Copy of this letter  
Publication 1  
Publication 2105



Department of the Treasury  
Revenue Service  
Kansas City, MO 64999-0010

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DEAN E MALONE  
150 BOBBY MCCANDLESS RD  
KNOB LICK KY 42154-8325

Notice	CP15
Tax Year	2016
Notice date	March 4, 2019
Social Security number	[REDACTED]
To contact us	800-829-0922
Your Caller ID	066602
Page 1 of 2	18H

## Notice of Penalty Charge

666

You have been charged a penalty under Section 6702(a) of the Internal Revenue Code for Civil Penalty for Frivolous Tax Returns.

### TAX STATEMENT

Prior Balance	\$0.00
Penalty Assessment	\$5,000.00
Interest	\$0.00
Bad Check Penalty	\$0.00
<b>Balance Due</b>	<b>\$5,000.00</b>

Regarding:

LTR 3175C correspondence dated Feb 22, 2019

CP15 Notice of Penalty Charge

March 11, 2019

Ms. Christine L. Davis:

I do not believe that the vague assertions made on your threatening letter styled as a formal "LTR 3176C" with reference number 1483000192 sent to me Nov 16, 2017 (copy attached) amount to sufficiently formal controversion of the testimony on my return as to merit any further specific response. I already responded in a timely matter to that letter with my own reply dated December 9, 2017 (copy attached). In that letter, I clearly detailed why my return is not frivolous, as defined by the statutes themselves. I also demanded that you produce the return produced by your department as required under 26 CFR 301.6020-1(b). If you truly had evidence that my return is frivolous, you would have most certainly produced a return of your own and would have sent me the copy I demanded. It is now apparent that you are choosing to frustrate justice, the original intent of the IRC and its legislation.

As for your above-noted letter, it once again fails to identify any actual flaw in my return. Perhaps you have mistaken my return for someone else's. Perhaps you are simply trying to operate outside your authority in making these extortionate threats. Even though your "LTR 3176C" is on its face meaningless, I will operate on the presumption that it is sent as a pretext on the basis of which you will imagine some further actions to be legitimized should I fail to rebut. Therefore, you will find attached my affidavit directed at each element of fact involved in the penalty with which you threaten me. In the absence of contradictory evidence of comparable focus and competence, you are entirely lacking any legal grounds to proceed with your threats, in my opinion. In any event, you bear the burden of proving your allegations, a burden which is NOT met by simply making vague assertions and threats. I suggest you seek competent legal advice.

As for the CP15 Notice of Penalty Charge, if I do not see a refund for my three previous years' filings within 90 days, I will have no choice but to take this matter to tax court for a judgement. I will use that judgement as grounds to seek an indictment against you personally for failing to uphold my statutory rights and will seek damages against both you and the IRS.

There is a further matter to address with respect to the partial refund of my 2016 return that the Department of the Treasury sent in 2017, and the balance that remains, plus interest. Your notice CP12 (see attached) alleges that only \$10,301.68 was incorrectly withheld by the Payer, when my own pay records show that the actual amount of Federal income tax, social security and Medicare was in fact \$13,165.88. What evidence do you have to the contrary? Are you alleging that COMDATA has filed false testimony to the IRS about what they withheld from my pay in contradiction to what they reported to me? In the absence of evidence, the IRS still owes me a refund of \$2,864.20 plus interest for the 2016 taxation year and I expect you to return my property promptly.

On November 19, 2018, I called the IRS, spoke with a Ms. Dordley (1000142407) and asked her why the IRS has failed to refund my property in a timely manner. She told me that this above-referenced letter from you was the reason. When I told her that I had responded and that the IRS has yet to reply, she



continued with the assertion that my tax returns are frivolous and neither my returns, nor my letter would be further responded to. When I tried to explain the merits of my claim, she rudely hung up on me. It is apparent that you are also delaying my refund for my 2017 return as well. It has come to my attention that I have made a mathematical error on that 2017 return by incorrectly requesting a refund for my state taxes. I made the same mistake in my amended 2016 return, filed last year. I have formally resubmitted the two returns for the record, but the 2016 return will be a mirror of the original one I submitted.

By the way, nothing I have done or do now by making this response or otherwise is to be construed as a waiver of any of my rights. Further, I particularly demand and insist upon every due process protection relevant to this matter under the common law, Kentucky law and federal law. This letter and its attachments will become part of the formal record of our correspondences and notices I have made to you, for use in all future legal proceedings.

With prejudice,

A handwritten signature in cursive script that reads "Dean E. Malone". The signature is written in dark ink and is positioned above a horizontal line.

Dean E Malone,

Attachments:

"LTR 3176C"

Notice CP12 dated June 12, 2017

My first reply to 3176C.

Affidavit

AFFIDAVIT

I, Dean E Malone, being of sound mind and upon my oath, depose and state as follows:

1. The tax return I completed and submitted concerning the year 2016 contains entries declaring total (gross) income receipts and adjusted gross and net income receipts computed according to the instructions provided; a self-assessment of tax due upon the computed "net income" per the tax table provided; and an unaltered signed affirmation regarding the truth, completeness and correctness of these entries and assessment. To the best of my knowledge and belief, the above-listed entries comprise information by which the substantial correctness of the self-assessment on the return can be judged.

2. Aside from identifying information, address, signature and date, the Form 1040 with accompanying instruments I completed and submitted concerning the year 2016 contains nothing from my hand but: numeric entries; a correction of a preprinted declaratory statement concerning the notification of the Internal Revenue Service of my rebuttal of a W-2 submitted by another from "have notified" to "hereby notify"; the answer to a question posed by the Secretary for an explanation of how I determined what amounts to report on the various lines of the form: "Records provided by the Payer listed on line 5."; and the answer to a question posed by the Secretary concerning what efforts were made to secure a correct W-2 from the payer listed on the form: "None".

To the best of my knowledge and belief, nothing on the return constitutes information that on its face indicates that the self-assessment is substantially incorrect.

3. The information on the tax return I completed and submitted concerning the year 2016 is not based on, nor reflective of, any "position" identified by the Secretary of the Treasury or his delegates as "frivolous" and published as such pursuant to 6702(c).

4. The content of the tax return I completed and submitted concerning the year 2016, and the act of its completion and submission, are not intended, expected or desired to impede or delay the administration of any federal tax law. On the contrary, the return I completed and submitted concerning the year 2016 is my best effort to fully comply with all legal obligations to which I am subject to the best of my understanding of those obligations, and to conform with all relevant provisions of law as best I understand those provisions. It is my sincere hope and intent that the return contributes to and is met with the smooth, speedy and proper administration of the federal tax laws.

5. I am not an officer or employee of a corporation or member or employee of a partnership, who as such officer, member or employee is under any duty whatsoever concerning tax forms, reports or tax-related matters of any kind. Nor am I a member of any class illustrated or defined by the foregoing enumerated examples.

6. I have never knowingly and intentionally created, acknowledged or supported any relationship or presumption of a relationship between me and the United States under the auspices or by virtue of which the United States is authorized to seize property from me or subject me to fines or penalties other than by making a formal complaint and proving its claims to the satisfaction of an impartial judicial tribunal as Plaintiff in an adversarial proceeding in which I enjoy the benefit of all presumptions, and which conforms to the specifications of the Seventh Article of Amendment to the United States Constitution.



I affirm under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Dean E Malone

Dean E Malone

Executed 02/25/2019, at 150 Bobby McCandless Road, Knob Lick KY 42154.

**U.S. Postal Service™  
CERTIFIED MAIL® RECEIPT**  
Domestic Mail Only

For delivery information, visit our website at [www.usps.com](http://www.usps.com)®.

**OGDEN, UT 84201**

**7017 2400 0000 5274 4357**

Certified Mail Fee \$3.50

Extra Services & Fees (check box, add fee as appropriate)

☐ Return Receipt (hardcopy) \$0.00

☐ Return Receipt (electronic) \$0.00

☐ Certified Mail Restricted Delivery \$0.00

☐ Adult Signature Required \$0.00

☐ Adult Signature Restricted Delivery \$0.00

Postage \$1.30

Total Postage and Fees \$7.60

Sent To: Dept of the Treasury, IRS

Street and Apt. No., or P.O. Box No. UT

City, State, ZIP+4® Kansas City MO 64999-0025

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

Postmark Here: 03/19/2019

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

**1. Article Addressed to:**

IRS ATTN: Christine Davis  
Frivolous Return Program  
Stop 4450  
Ogden UT 84201-0059



9590 9402 1264 5246 9578 98

**2. Article Number (Transfer from service label)**

7017 2400 0000 5274 4357

PS Form 3811, July 2015 PSN 7530-02-000-9053

**COMPLETE THIS SECTION ON DELIVERY**

**A. Signature**

**X**

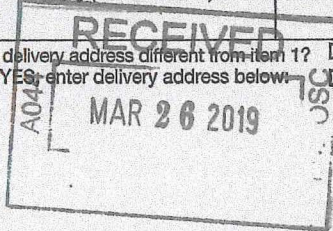
☐ Agent

☐ Addressee

**B. Received by (Printed Name)**

**C. Date of Delivery**

D. Is delivery address different from item 1? ☐ Yes  
If YES, enter delivery address below: ☐ No



**3. Service Type**

- ☐ Adult Signature
- ☐ Adult Signature Restricted Delivery
- ☐ Certified Mail®
- ☐ Certified Mail Restricted Delivery
- ☐ Collect on Delivery
- ☐ Collect on Delivery Restricted Delivery
- ☐ Insured Mail
- ☐ Insured Mail Restricted Delivery (over \$500)

- ☐ Priority Mail Express®
- ☐ Registered Mail™
- ☐ Registered Mail Restricted Delivery
- ☐ Return Receipt for Merchandise
- ☐ Signature Confirmation™
- ☐ Signature Confirmation Restricted Delivery

Domestic Return Receipt



Frivolous Return Prog., Stop 4450  
OGDEN UT 84201-0059

In reply refer to: 1000145501  
Sep. 05, 2019 LTR 3176C 0  
[REDACTED]-3698 201612 30  
Input Op: 1486984920 00018836  
BODC: WI

DEAN E MALONE  
150 BOBBY MCCANDLESS RD  
KNOB LICK KY 42154

Taxpayer identification number: [REDACTED]-3698  
Form: 1040  
Tax periods: Dec. 31, 2016

Employee identification number: 1000145501  
Contact telephone number: 866-883-0235  
Contact fax number: 855-246-4886

Dear Taxpayer:

You filed a purported tax return for the tax periods above that claimed one or more frivolous positions or reflected a desire to delay or impede administration of the tax laws. If you don't immediately correct your return, we'll assess a \$5,000 penalty against you.

#### WHY WE ARE CONTACTING YOU

Based on Internal Revenue Code Section 6702, Frivolous Tax Submissions, we determined the information you filed as a purported tax return, on Mar. 25, 2019 is frivolous and there is no basis in the law for your position.

Federal courts, including the Supreme Court of the United States, have considered positions like yours and repeatedly rejected them as without merit. Publication 2105, Why do I have to Pay Taxes?, includes examples of frivolous positions and arguments regarding the U.S. tax system under the heading "Don't Fall for These Arguments." Notice 2010-33 provides detailed information on positions identified as frivolous under Section 6702.

You included a position that has no basis in the law. You're attempting to avoid or reduce tax liabilities or to secure a refund that you're not entitled to.

To avoid this penalty, submit a signed request to withdraw your purported returns for each taxable period listed at the top of this letter within 30 days from the date of this letter. Once you withdraw your purported returns, we will disregard the previous documents you filed and we will not assess the frivolous tax return penalty for each period for which the purported returns were withdrawn.

If you have questions or concerns regarding the information requested or response timeframes, please contact the number listed at the top of



1000145501

Sep. 05, 2019 LTR 3176C 0

3698 201612 30

Input Op: 1486984920 00018837

DEAN E MALONE  
150 BOBBY MCCANDLESS RD  
KNOB LICK KY 42154

the letter.

Attach this letter to your response and mail it to the return address at the top of this letter.

#### IF YOU DO NOT WITHDRAW YOUR RETURNS

If you don't withdraw your returns within 30 days from the date of this letter, or if you submit additional documents asserting a frivolous position, we will assess the \$5,000 penalty for each purported tax return containing a frivolous position and send you a bill. If you filed a joint frivolous return, both you and your spouse will be assessed a \$5,000 penalty. Internal Revenue Code Section 6702 provides us the authority to assess this penalty. We won't respond to any future correspondence asserting any frivolous position.

#### ADDITIONAL INFORMATION

For more information on positions identified as frivolous under Section 6702 see: [www.irs.gov/notice201033](http://www.irs.gov/notice201033). If you don't have a computer, consult a law library to access Notice 2010-33 in the Internal Revenue Bulletin (I.R.B.). You can find additional information in a publication titled "The Truth About Frivolous Arguments" available on-line only at [www.irs.gov/frivolous](http://www.irs.gov/frivolous).

See Publication 2105 for basic information about the tax system. We also encourage you to seek advice from a competent tax professional or a tax attorney qualified to practice in your state.

If you need forms, schedules, or publications, you can get them by visiting [www.irs.gov/forms-pubs](http://www.irs.gov/forms-pubs) or by calling 800-TAX-FORM (800-829-3676).

We enclosed a copy of this letter for your records and an envelope for your convenience.

If you have additional questions, you can call us at 866-883-0235, onday through Friday 7:00 am to 3:30 p.m. MST.

1000145501

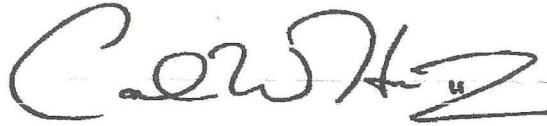
Sep. 05, 2019 LTR 3176C 0

~~3698~~ 201612 30

Input Op: 1486984920 00018838

DEAN E MALONE  
150 BOBBY MCCANDLESS RD  
KNOB LICK KY 42154

Sincerely yours,

A handwritten signature in black ink, appearing to read "Carl W. Horn II", with a stylized flourish at the end.

Carl W. Horn II, Director  
Return Integrity Verification Ops

Enclosures:  
Copy of this letter  
Envelope  
Publication 1



**Department of the Treasury  
Internal Revenue Service**

1973 N Rulon White Blvd  
M/S 4450  
Ogden UT 84404

DEAN E MALONE  
150 BOBBY MCCANDLESS RD  
KNOB LICK KY 42154-8325

**Date:**

09/20/2019

**Taxpayer ID number:**

[REDACTED]-3698

PC 0310

EGC 5531

**Tax periods ended:**

December 31, 2016

**Person to contact:**

Tax Examiner

**Contact telephone number:**

866-883-0235

**Contact hours:**

7:00 AM - 3:30 PM MST

**Contact fax number:**

855-246-4886

**We're auditing your 2016 Form 1040 , and need a response from you.**

**Proposed changes to your 2016 Form 1040**

Dear DEAN E MALONE:

We reviewed your 2016 federal income tax return, any information you gave us, and made proposed changes to your tax. As a result, we found that you:

- ☐ are due a refund of \$
- ☒ owe a balance of \$ 12,550.00 . This amount may include tax, penalties, and estimated interest due. You should pay the balance due immediately to avoid additional penalties and interest charges.

**What you need to do**

Review the enclosed Form 4549, *Income Tax Examination Changes*, and attached Form 886 and let us know by October 20, 2019 if you agree or disagree with our proposed changes. If your address has changed, please provide your current address and contact information when you respond.

**If you agree with our changes**

- Sign, date and mail the enclosed Form 4549 to us in the envelope we provided.
- If you are due a refund, you should receive a refund check within 8 weeks if you don't owe other taxes or debts we're required to collect.
- If you owe additional taxes, make your check or money order payable to the United States Treasury. Write your taxpayer ID number, tax year and form number on the check.
- If you can't pay the total amount due, pay as much as you can and make payment arrangements to pay the rest over time. Payment options are described in the enclosed Publication 3498-A, *The Examination Process (Audits by Mail)*. You can also search "tax payment options" at [www.irs.gov](http://www.irs.gov).

**If you don't agree with our changes**

Return a copy of this letter along with your explanation and any supporting documents. Form 886 attached to the Form 4549 explains documentation you need to give us. Publication 3498-A describes the audit process and explains other options, including your appeal rights, if you disagree with our proposed changes.

**If we don't hear from you**

If we don't receive a response from you, we'll send you a Notice of Deficiency, which will state the amount you owe with penalties and explain your right to file a petition in the United States Tax Court. Once a Notice of Deficiency is sent to you, you cannot appeal disagreements to the IRS. We will still consider new information you may provide to us, but you will need to file a petition with the United States Tax Court to challenge the deficiency.

If you need assistance, please don't hesitate to contact us. If you want to authorize someone, in addition to you, to contact the IRS about this letter, please complete and send us Form 2848, *Power of Attorney and Declaration of Representative*. You can download this form at [www.irs.gov](http://www.irs.gov) or request a copy by calling 1-800-TAX-FORM (1-800-829-3676).

Please provide a telephone number, including area code and the best time for us to call you if we need more information.

Telephone number: (        ) \_\_\_\_\_ - \_\_\_\_\_ Hours: \_\_\_\_\_

Sincerely,



Christine Davis  
Operation Manager

**Enclosures:**

Form 4549

Publication 3498-A

☐ Form 886

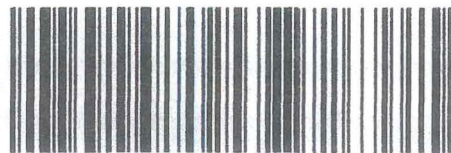
Copy of this letter

Envelope





Department of the Treasury  
Internal Revenue Service  
ACS Support - Stop 5050  
P.O. Box 219236  
Kansas City, MO 64121-9236



9314 8107 5620 6848 0576 68

021136.853144.336825.24682 2 MB 0.428 1745



Notice	LT11
Notice Date	September 24, 2019
Taxpayer ID number	XXX-XX-3698
Case reference number	1093918494
To contact us	800-829-7650

Page 1 of 4

DEAN E MALONE  
150 BOBBY MCCANDLESS RD  
KNOB LICK KY 42154-8325501

1136

Notice of intent to levy and notice of your right to a hearing

## Intent to seize your property or rights to property

**Amount due immediately: \$5,178.87**

We haven't received a payment despite sending you several notices about your overdue taxes. The IRS may seize (levy) your property or your rights to property on or after October 24, 2019.

Property includes:

- Wages and other income
- Bank accounts
- Business assets
- Personal assets (including your car and home)
- Alaska Permanent Fund Dividend and state tax refund
- Social Security benefits

### Billing Summary

Amount you owed	\$5,000.00
Additional interest charges	178.87
<b>Amount due immediately</b>	<b>\$5,178.87</b>

Continued on back...



DEAN E MALONE  
150 BOBBY MCCANDLESS RD  
KNOB LICK KY 42154-8325501

Notice	LT11
Notice date	September 24, 2019
Taxpayer ID number	XXX-XX-3698
Case reference number	1093918494



## Payment

- Make your check or money order payable to the "United States Treasury."
- Write your taxpayer identification number (XXX-XX-3698) and the tax period(s) on your payment and any correspondence.

**Amount due immediately**

**\$5,178.87**

INTERNAL REVENUE SERVICE  
ACS SUPPORT - STOP 5050  
P.O. BOX 219236  
KANSAS CITY, MO 64121-9236



XXXXX3698 00

MAL0 55 0 201612 000 00000517887



Department of the Treasury  
Internal Revenue Service  
Kansas City, MO 64999-0010

299228.187856.134604.7245 1 AB 0.412 700



DEAN E MALONE  
150 BOBBY MCCANDLESS RD  
KNOB LICK KY 42154-8325

Notice	CP22A
Tax Year	2016
Notice date	September 30, 2019
Social Security number	██████████-698
To contact us	800-829-0922
Your Caller ID	066602
Page 1 of 3	9H

9228

Changes to your 2016 Form 1040

## Amount due: \$1,964.08

Based on the information you provided, we changed your 2016 Form 1040 to correct your:

- total federal income tax withheld

As a result, you owe \$1,964.08.

### Billing Summary

Increase in tax	\$1,748.26
Increase in interest	206.80
Decrease in interest we owe you	9.02
<b>Amount due by October 21, 2019</b>	<b>\$1,964.08</b>

### What you need to do immediately

#### If you agree with the changes we made

- Pay the amount due of \$1,964.08 by October 21, 2019 to avoid additional interest and applicable penalty charges.

Continued on back...



DEAN E MALONE  
150 BOBBY MCCANDLESS RD  
KNOB LICK KY 42154-8325

Notice	CP22A
Notice date	September 30, 2019
Social Security number	██████████-3698



## Payment

Amount due by October 21, 2019

**\$1,964.08**

INTERNAL REVENUE SERVICE  
KANSAS CITY, MO 64999-0010



015803698 JY MALO 30 0 201612 670 00000196408



Notice	CP22A
Tax Year	2016
Notice date	September 30, 2019
Social Security number	8698
Page 3 of 3	9H

## Interest charges

We are required by law to charge interest when you do not pay your liability on time. Generally, we calculate interest from the due date of your return (regardless of extensions) until you pay the amount you owe in full, including accrued interest and any penalty charges. Interest on some penalties accrues from the date we notify you of the penalty until it is paid in full. Interest on other penalties, such as failure to file a tax return, starts from the due date or extended due date of the return. Interest rates are variable and may change quarterly. (Internal Revenue Code section 6601)

Note: The interest amount shown here may differ from the amount shown on Page 1. The computation shown here may include interest charges on amounts due before the adjustment.

Period	Days	Interest rate	Interest factor	Amount due	Interest charge
06/19/2017 – 06/30/2017	11	4.0%	0.001206140	\$1,757.28	\$2.12
06/30/2017 – 12/31/2017	184	4.0%	0.020367931	1,759.40	35.84
12/31/2017 – 03/31/2018	90	4.0%	0.009911268	1,795.24	17.79
03/31/2018 – 06/30/2018	91	5.0%	0.012542910	1,813.03	22.74
06/30/2018 – 12/31/2018	184	5.0%	0.025524053	1,835.77	46.86
12/31/2018 – 03/31/2019	90	6.0%	0.014903267	1,882.63	28.06
03/31/2019 – 06/30/2019	91	6.0%	0.015070101	1,910.69	28.79
06/30/2019 – 09/30/2019	92	5.0%	0.012681615	1,939.48	24.60
<b>Total interest</b>					<b>\$206.80</b>

We multiply your unpaid tax, penalties, and interest (the amount due) by the interest rate factor to determine the interest due.

## Additional information

- Visit [www.irs.gov/cp22a](http://www.irs.gov/cp22a)
- For tax forms, instructions, and publications, visit [www.irs.gov](http://www.irs.gov) or call 800-TAX-FORM (800-829-3676).
- Paying online is convenient, secure, and ensures timely receipt of your payment. To pay your taxes online or for more information, go to [www.irs.gov/payments](http://www.irs.gov/payments).
- You can contact us by mail at the address at the top of this notice. Be sure to include your Social Security number, the tax year, and the form number you are writing about.
- Keep this notice for your records.

If you need assistance, please don't hesitate to contact us.